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BILOXI ATTORNEY PAUL MINOR AND TWO FORMER MISSISSIPPI STATE COURT JUDGES SENTENCED ON CONVICTION IN BRIBERY SCHEME

WASHINGTON – A Biloxi attorney and two former Mississippi state court judges have been sentenced for their roles in an extensive bribery scheme, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

Chief Judge Henry T. Wingate sentenced attorney Paul S. Minor, 61, to eleven years incarceration, a \$2.7 million fine, \$1.5 million restitution (to be paid jointly with a co-defendant), and a \$1,100 special assessment. Walter W. Teel, 56, former Mississippi state chancery court judge, was sentenced to five years and ten months incarceration, \$1.5 million in restitution (to be paid jointly with Minor), and a \$400 special assessment. John H. Whitfield, 44, former Mississippi state court circuit judge, was sentenced to nine years and two months incarceration, as well as a \$125,000 fine and a \$600 special assessment.

On March 30, 2007, a federal jury in Jackson, Miss., found the defendants guilty on all 14 counts charged against them including bribery, racketeering and fraud.

Evidence at trial showed that in November 1998, Minor guaranteed a \$25,000 line of credit for Teel at a Biloxi bank while Teel was a candidate for a judgeship in chancery court of Harrison County. The line of credit purported to be for campaign expenses. After Teel was elected, Minor, in an effort to conceal the fact that he was paying off the loan himself, used cash and an intermediary to disguise the true source of the loan payments. Thereafter, then-Judge Teel was assigned to a civil case in chancery court in which Minor's firm represented a local bank in a bad-faith declination of coverage suit against the bank's insurance provider. The case was to be tried without a jury. As the case proceeded in 2001, Teel made favorable rulings for Minor's client on issues of discovery and summary judgment.

Around that time, then-Judge Teel and two other chancery court judges became the subject of a state criminal investigation for misappropriation of funds. Among the efforts Minor made to assist the judges under investigation was a meeting Minor arranged between the judges and the then-Attorney General of Mississippi. Minor provided transportation to the meeting via his private jet and also hired a public relations firm to assist the judges. After Teel was indicted on state charges, Minor paid a portion of the legal expenses for Teel's defense. Teel was ultimately acquitted. Within weeks of the meeting with the Attorney General, Teel presided over a settlement conference in the lawsuit between Minor and the attorneys for the bank's insurance provider. During the negotiation, Teel made statements to the parties indicating his belief in the

strength of the plaintiff's case and insinuated that, were the defendants to push the case to trial, Teel would be inclined to award punitive damages to the plaintiff. The insurance provider promptly agreed to settle the case for \$1.5 million dollars. None of the attorneys representing the insurance provider were made aware of the financial relationship between Teel and Minor.

In November 1998, Minor guaranteed a \$40,000 loan for Whitfield at a Biloxi bank while Whitfield was a candidate for re-election to the Circuit Court of Harrison County. The loan purported to be for campaign expenses. After Whitfield was elected, Minor guaranteed an additional loan for then-Judge Whitfield for \$100,000, purportedly for the down payment on a house. Minor, in an effort to conceal the fact that he was actually paying off the loans himself, used cash and an intermediary to disguise the true source of the loan payments.

Whitfield was later assigned to a personal injury case in circuit court in which Minor's firm represented an oil rig worker injured as a result of his employer's alleged negligence. Whitfield presided over the trial and found in favor of Minor's firm's client. He awarded damages in the amount of \$3.75 million dollars, an award he later reduced by approximately \$100,000. Minor continued to disguise the fact that he was making payments on the Whitfield loans and ultimately paid them off through the use of an intermediary.

"There is no place in our judicial system for the bribery of judges, and the sentences imposed today recognize the severity of the crimes committed by the attorney and the former judges in this case," said Assistant Attorney General Fisher. "I congratulate the federal prosecutors and FBI agents who worked on this case and thank them for their continued pursuit of corruption at all levels of government."

The case was prosecuted jointly by the Criminal Division's Public Integrity Section and the U.S. Attorney's Office for the Southern District of Mississippi. The case was tried by Assistant U.S. Attorneys Ruth R. Morgan and David H. Fulcher, and Trial Attorney Natasha Tidwell of the Public Integrity Section, headed by Chief William M. Welch, II. Senior Deputy Chief Peter J. Ainsworth of the Public Integrity Section participated in the investigation and indictment of this matter. The case was investigated by the Federal Bureau of Investigation.

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